

**REMARKS**

This Application has been carefully reviewed in light of the Advisory Action mailed August 1, 2003. At the time of the Advisory Action, Claims 1-44 were pending in this patent application. The Examiner rejects Claims 1-44. Applicant has amended Claims 1, 10-11, 23-25, 31, 33, and 37-38. None of these changes are considered necessary for patentability or to overcome any cited reference. Applicant respectfully requests reconsideration and favorable action in this case.

**Section 103 Rejections**

In the Advisory Action, the Examiner maintains the rejection of Claims 1, 6-7, 10-11, and 17-20 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,878,401, issued to Joseph ("*Joseph*") in view of Gignac, "Descartes tracks inventory through cyberspace" ("*Gignac*"). Applicant respectfully requests reconsideration of this rejection of Claims 1, 6-7, 10-11, and 17-20.

Applicant maintains its arguments that: (1) *Joseph* teaches away from certain limitations recited in Claim 1; (2) the proposed combination of *Gignac* with *Joseph* would render *Joseph* unsatisfactory for its intended purpose (based on the Examiner's proposed interpretation of *Gignac*); (3) *Gignac* fails to make up for the acknowledged deficiencies of *Joseph*; and (4) the Examiner's proposed motivation to combine *Gignac* with *Joseph* is inadequate.

**I. *Joseph* Teaches Away from the Proposed Modifications, and the Proposed Modifications would Render *Joseph* Unsatisfactory for its Intended Purpose**

Based on the Examiner's responses in the Advisory Action to Applicant's arguments presented in the Response to final Office Action, Applicant believes the Examiner fails to understand Applicant's position. For example, in responding to Applicant's argument that *Joseph* teaches away from the proposed modifications, the Examiner states, "It is clear from the previous action that *Joseph* does not teach some limitation in claim 1, however, *Gignac* does teach the limitations, and the Examiner does not agree that *Joseph* teaches away from

the recited claim, since *Joseph* teaches a system that sells sneaker is the same kind of system as the invention that sells cars." (Advisory Action, Continuation Sheet).

First, Applicant's have never attempted to distinguish Applicant's claims from *Joseph* based on the fact that *Joseph* is directed to shoes and certain of Applicant's claims discuss automobiles. The distinctions between Applicant's claimed invention and the prior art of record (including *Joseph*) go far beyond any differences between shoes and automobiles. This is particularly true in light of the fact that many of Applicant's claims are not limited to automobiles, but are directed to products in general.

Second, Applicant is aware that the Examiner has acknowledged certain deficiencies of the *Joseph* reference. Applicant's point is that the Examiner cannot modify *Joseph* in the manner proposed because *Joseph* would not tolerate this modification – *Joseph* teaches away from the proposed modification and the proposed modification would render *Joseph* unsatisfactory for its intended purpose. The M.P.E.P. very clearly requires that a "prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention. M.P.E.P. § 2141.02 citing *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). Furthermore, the M.P.E.P. makes it clear that "[i]f proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification." M.P.E.P. § 2143.01.

Based on the above-cited quotation from the Advisory Action, the Examiner seems to think that (1) because he believes the *Gignac* reference teaches his acknowledged deficiency of *Joseph* and (2) because he believes *Joseph* generally teaches the same type of invention as Applicant's Claim 1, that is sufficient to teach Applicant's Claim 1. However, for purposes of this argument, it does not matter whether *Gignac* teaches what is lacking in *Joseph* which Applicants do not admit to be true. The point is that *Joseph* cannot be modified to teach these limitations because it teaches away from these modifications and recites an intended purpose that would be frustrated if the proposed modifications were made.

At least one of *Joseph's* objectives is to provide a customer with an actual shoe on the customer's visit – either the shoe the customer desires if it is in stock or an acceptable in-stock alternative if the desired shoe is out of stock. Of course, *Joseph's* whole premise is that the desired shoe is out of stock, and it is aimed at providing a solution to that situation. *Joseph* states, "If displayed items *are not in inventory*, customer dissatisfaction and loss of sales may result." (Column 1, Lines 19-20). Thus, according to *Joseph*, an item not being in inventory is a cause of customer dissatisfaction that leads to loss of sales. *Joseph* mentions prior art systems but concludes, "None of these, however, provides a method of and apparatus for enabling a store customer to view alternative styles similar to a selected style that is out of inventory so as to avoid customer dissatisfaction" which, according to *Joseph*, is caused by displayed shoes being out of inventory. (Column 1, Lines 32-38).

Other than a displayed shoe being out of inventory, what else might cause customer dissatisfaction according to *Joseph*? *Joseph* states that in a shoe store, for example, when a style is selected by a customer in a particular size, the selected pair of shoes is retrieved from a stockroom so that the customer may try the shoes on. (Column 1, Lines 41-44). According to *Joseph*, the productivity of the stockroom personnel is critical in maintaining customer satisfaction in that "if a customer must wait too long for the desired shoes to be retrieved, the customer may leave." (Column 1, Lines 48-51). Also, if a desired shoe style is out of inventory, the customer may return to the displays and select another style, which may itself be out of inventory. This may result in customer dissatisfaction. Thus, delay is another cause of customer dissatisfaction and thus loss of sales according to *Joseph*.

To summarize to this point, what causes loss of sales according to *Joseph*? Customer dissatisfaction. What causes customer dissatisfaction and thus loss of sales according to *Joseph*? The selected shoe being out of stock, having to wait too long, or alternatives also being out of stock. Thus, *Joseph* is clearly directed to providing the customer with an actual shoe – either the desired shoe if in inventory or an in-stock alternative – on the customer's visit to the store. Causing the customer to wait for any reason leads to customer dissatisfaction and loss of sales.

One could argue that a further objective of *Joseph* is to salvage a sale that would have otherwise been lost due to a desired item being out of stock. Based on this hypothetical objective, one might also argue that searching and placing a desired item on back order would further this objective of retaining a sale that would have been lost due to an item being out of stock. According to *Joseph*, however, this simply is not true; the solution of backordering the originally selected item would still not meet the hypothetical objective of *Joseph*. To illustrate this point, Applicant asks what would happen if *Joseph* were modified to backorder desired items that are currently out of stock at the retail sales facility? Backordering the desired item (which has been determined to be out of stock at the retail sales facility) would cause the customer to wait at least a number of days or weeks for the shoe to be delivered. Requiring a customer to wait this long would not salvage a sale when, according to *Joseph*, even taking too long retrieving shoes from the stockroom or requiring the customer to return to the sales floor, which is presumably only a few feet away, to select an alternative might forfeit the sale. *Joseph* makes it clear that putting desired items on backorder is an unacceptable delay that customers would not tolerate causing the store to lose a sale and frustrating the proposed objective of *Joseph*. Thus, even the proposed objective of *Joseph* is not furthered, according to *Joseph*, if *Joseph* is modified to search "an inventory database that stores product availability data for products that are on the order bank, being produced, in-transit to distribution facilities, and products at the distribution facilities," as recited in Claim 1 as amended.

Furthermore, according to *Joseph*, "[i]f the [desired] item is unavailable, means is provided for determining alternative items for the requested item and for *determining whether the alternative items are available*. The *available alternative items* are interactively displayed from the customer." (Column 1, Line 65 through Column 2, Line 3; emphasis added). Only the *available alternative items* are displayed because, according to *Joseph*, those are the only items that will prevent loss of the sale. As Applicants have reiterated time and again, *Joseph* clearly would not tolerate modifications that would introduce further delays into the system. *Joseph* wants to provide the customer with a shoe on that visit to the store, and, according to *Joseph*, if that goal is not accomplished, the store will lose the sale.

As another example of the impropriety of the Examiner's proposed modifications to *Joseph*, in responding to Applicant's argument that combining *Gignac* with *Joseph* (under the Examiner's proposed interpretation of *Gignac*) would render *Joseph* inoperable for its intended purpose, the Examiner states, "*Gignac* is the teaching reference that enhance the system of *Joseph*, so *Joseph* would have improved his invention by having the ability to track the sneakers when it is not in stock." (Advisory Action, Continuation Sheet). However, it does not matter that the Examiner thinks *Gignac* would improve *Joseph*. What matters is *Joseph's* recited intended purpose. For these reasons, *Joseph* cannot be modified in the proposed manner, and there would have been no suggestion to modify *Joseph* to search in the proposed manner at the time of invention.

## **II. *Gignac* Fails to Teach the Acknowledged Deficiencies of *Joseph***

Furthermore, Applicant argued in the Response to final Office Action that *Gignac* fails to make up for the acknowledged deficiencies of *Joseph*; however, the Examiner did not respond to these arguments in the Advisory Action. Thus, Applicant assumes the Examiner is maintaining his position with regard to the *Gignac* reference that was presented in the final Office Action. Applicants submits that *Gignac* fails to teach, suggest, or disclose at least the following limitations recited in Claim 1, as amended:

an inventory database that stores product availability data for products that are on the order bank, being produced, in-transit to distribution facilities, and products at the distribution facilities.

*Gignac* merely teaches monitoring a particular product order as it moves through a distribution channel. This cannot be equated with monitoring product inventory. *Gignac* is limited to monitoring the status of a particular "customer's order." (*Gignac*, page 1). Presumably, one can monitor where in the supply chain a *particular order* exists. Significantly, however, the system described in *Gignac* is limited to monitoring only *pre-existing orders*. There is no teaching within *Gignac* that such monitoring capabilities extend beyond the scope of a particular pre-existing order, and certainly no teaching that such monitoring is available on an entire product inventory. In this regard, the proposed *Joseph-Gignac* combination fails to teach, suggest, or disclose the "inventory database" as recited, in part, in Claim 1.

Moreover, *Gignac* is limited to monitoring the "status of a customer's order as it moves from the supplier to the distributor to the VAR . . ." (*Gignac*, page 1). In order for a product to move from the supplier to the database, the product must *already be manufactured*. Therefore, the supply-chain monitoring of *Gignac* is limited to *distribution* after a product is already manufactured. In this regard, the "variety of distribution chain nodes" of *Gignac* fail to teach, suggest, or disclose "an inventory database that stores product availability data for products that are on the order bank" and "being produced" as recited, in part, in Claim 1.

**III. The Examiner Still has not Provided a Proper Motivation to Combine *Gignac* with *Joseph***

Applicant maintains that the Examiner has not *properly* provided a motivation to combine *Gignac* with *Joseph*. The Examiner states in the Advisory Action that "a motivation or suggestion is clearly given in previous office actions, on page 3 last paragraph, 'a person with ordinary skill in the art would have been motivated to make the modification to *Joseph* because teachings of *Gignac* provides an inventory database for storing product availability data from a variety distribution chain nodes would enable merchants to provide users with comprehensive product availability data.'" (Advisory Action, Continuation Sheet). Applicant does not disagree that the Examiner has recited a motivation, but simply reciting what the Examiner believes to be a good reason for combining references is not sufficient.

For example, although Applicant does not necessarily agree that the proposed combination of *Joseph* with *Gignac* is even possible, the mere fact that references can be combined or modified does not render the resultant combination obvious *unless the prior art also suggests* the desirability of the combination. See M.P.E.P. § 2143.01. Thus, the mere fact that the teachings of one reference would improve the teachings of another reference, *does not provide the required suggestion to combine or modify*. Nothing in *Joseph*, *Gignac*, or any other cited reference suggests or motivates the proposed combination or modification, nor has the Examiner provided evidence that suggests the proposed combination or

modification.<sup>1</sup> Speculation in hindsight that it would have been obvious to make the proposed combination because the proposed combination or modification would be helpful is insufficient under the M.P.E.P.<sup>2</sup> and governing Federal Circuit case law.<sup>3</sup> Furthermore, Applicant respectfully submits that because the proposed modification would render *Joseph* unsatisfactory for its intended purpose as discussed above, there is no suggestion or motivation to make the proposed modification. See M.P.E.P. § 2143.01. The M.P.E.P. and Federal case law require the Examiner to do more than simply recite a reason the Examiner believes one reference would improve another, and in a case where one reference would be rendered unsatisfactory for its intended purpose if a combination were made (e.g., the present case), there simply is no suggestion or motivation to make the combination.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claim 1, together with all claims that depend on Claim 1. For at least the reasons stated above with regard to Claim 1, Applicant respectfully requests reconsideration and allowance of independent Claims 10 and 24, together with all claims that depend on Claims 10 and 24.

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<sup>1</sup> If “common knowledge” or “well known” art is being relied on to combine the references, Applicant respectfully requests that a reference be provided in support of this position pursuant to M.P.E.P. § 2144.03. If personal knowledge is being relied on to supply the required motivation or suggestion to combine, Applicant respectfully requests that an affidavit supporting such facts be provided pursuant to M.P.E.P. § 2144.03.

<sup>2</sup> See M.P.E.P. § 2145 X.C. (“The Federal Circuit has produced a number of decisions overturning obviousness rejections due to a lack of suggestion in the prior art of the desirability of combining references.”)

<sup>3</sup> For example, in *In re Dembiczak*, 175 F.3d 994 (Fed. Cir. 1999), the Federal Circuit reversed a finding of obviousness by the Board of Patent Appeals and Interferences, explaining that evidence of a suggestion, teaching, or motivation to combine is essential to avoid impermissible hindsight reconstruction of an Applicant’s invention:

Our case law makes clear that the best defense against the subtle but powerful attraction of hindsight obviousness analysis is *rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references*. Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor’s disclosure as a blueprint for piecing together the prior art to defeat patentability—the essence of hindsight.

175 F.3d at 999 (quoting *W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1553 (Fed. Cir. 1983)) (emphasis added) (citations omitted).

The Examiner rejects Claims 2, 8-9, 12, and 15 under 35 U.S.C. § 103(a) as being unpatentable over *Joseph* in view of *Gignac* in further view of U.S. Patent Number 6,167,448 issued to Hemphill et al. ("*Hemphill*"). The Examiner rejects Claims 3, 5, and 13-14 under 35 U.S.C. § 103(a) as being unpatentable over *Joseph* in view of *Gignac* in further view of U.S. Patent Number 6,341,282 issued to Sharpe et al. ("*Sharpe*"). The Examiner rejects Claims 16 and 21-23 under 35 U.S.C. § 103(a) as being unpatentable over *Joseph* in view of *Gignac* and in further view of *Sharpe* and Auto-By-Tel (<http://www.autobytel.com>, 12/12/1997) ("*Auto-By-Tel*"). Claims 2-3, 5, and 8-9 (which depend from Claim 1) and Claims 12-16 and 21-23 (which depend from Claim 10) depend from independent claims, which Applicant has shown above to be allowable, and are allowable for at least this reason. In addition, Claims 2-3, 5, 8-9, 12-16, and 21-23 recite further patentable distinctions over the prior art of record. To avoid burdening the record and in view of the clear allowability of Claims 1 and 10, Applicant does not specifically discuss in this Response the patentable distinctions of Claims 2-3, 5, 8-9, 12-16, and 21-23. However, Applicant reserves the right to discuss these distinctions in a future Response. For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 2-3, 5, 8-9, 12-16, and 21-23.

The Examiner rejects Claims 24-37 under 35 U.S.C. § 103(a) for reasons similar to those discussed above with regard to Claims 10-23. The Examiner also rejects Claims 38-44 because they encompass the same scope of the invention as that of Claims 24-37. Applicant notes that Applicant does not necessarily agree with the Examiner's characterization of Claims 38-44. For at least the reasons stated with regard to Claim 1, Applicant respectfully requests reconsideration and allowance of Claims 24 and 38, together with all Claims that depend from Claims 24 and 38.



CONCLUSION

Applicant has made an earnest attempt to place this case in condition for allowance. For the foregoing reasons and for other reasons clearly apparent, Applicant respectfully requests reconsideration and full allowance of all pending claims.

If there are matters that can be discussed by telephone to further the prosecution of this Application, Applicant invites the Examiner to call the undersigned attorney listed below at the Examiner's convenience.

A check in the amount of \$110.00 is enclosed for a one-month extension of time. Although Applicants believe no other fees are due, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

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Enclosure:  
\$110.00 check for extension of time  
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